

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7583

BILL NUMBER: HB 1618

NOTE PREPARED: Jan 9, 2009

BILL AMENDED:

SUBJECT: Secretary of State Political Activity.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: The bill prohibits an individual who holds the Office of Secretary of State from:

- (1) serving in an official or unofficial capacity:
 - (A) in the campaign of a candidate for an elected office; or
 - (B) for a person who makes disbursements for the direct costs of producing or airing a communication that expressly advocates the election or defeat of a clearly identifiable candidate;
- (2) endorsing a candidate for an elected office;
- (3) conducting fundraising activities for a candidate for an elected office; or
- (4) soliciting contributions for or contributing to the campaign of a candidate for an elected office.

It exempts from the prohibition a campaign in which the individual who holds the Office of Secretary of State is the candidate.

The bill authorizes the Attorney General to enforce the prohibition, and establishes a civil penalty equal to the greater of: (1) two times the amount of any contribution made or received; or (2) \$5,000.

Effective Date: July 1, 2009.

Explanation of State Expenditures: The bill could increase costs for the Attorney General to receive complaints, investigate, and, with reasonable cause, file a civil action to recover the civil penalty. It is expected that these duties will be within the current level of resources of the Attorney General's office.

Explanation of State Revenues: *Civil Penalty:* The bill provides that an individual who violates these campaign prohibitions is subject to a civil penalty equal to the greater of twice the amount of any contributions made or received or \$5,000. The bill requires these civil penalties to be deposited in the Campaign Finance Enforcement Account of the state General Fund.

Background: The Campaign Finance Enforcement Account is administered by the Election Division for the purposes of administering IC 3-9 (concerning campaigns) and creating and operating a campaign finance computer system (authorized under IC 3-9-4-4). The statute requires the computer system to enable the Division to identify all contributions made and received over at least the previous three years.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General; Secretary of State.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Karen Firestone, 317-234-2106.